2: Murphy G-4 (no date) 1953 AF15 East China AF15



morality for the laxity and easy virtue which some Shanghai residents thought would prove a match even for the Peoples' Government.*

Another element which made life in Shanghai exciting, lawless, and profitable for the foreigners was the periodic flooding of the city by refugees from civil disorder in China. Shanghai was a tiny island of relative security at such times, where the presence of foreign consuls and troops and the quasi-independent status of the foreign settlements attracted large numbers of Chinese within its borders. The first great influx occurred at the time of the Taiping Rebellion (1850–1864), during which a local uprising of the Triad Society in 1853 and 1854 connected with the Rebellion virtually surrounded Shanghai, and even penetrated the Settlement until the troops were expelled by the foreigners. There were about 500 Chinese residents of the foreign settlements in 1852, 20,000 in 1854, and 500,000 in 1864.[9] Fortunes were made and lost in real estate and general speculation as the tide of refugees flowed and ebbed in response to the progress of hostilities in the Yangtze delta. Chinese capital from the hinterland also gravitated to the protection of the foreign settlements and added more fuel to the speculative blaze.

> Legitimate (sic) business of all kinds received a great stimulus upon the expulsion of the Triads from the city, and a period of feverish and well-nigh fatal speculation set in. The price of land inside the Settlement and even without went up to an enormous pitch as thousands of wealthy Chinese from all sides flocked into the place for the security it offered. . . . Great tracts of land were hastily built over with cheap shanties by the foreign speculators, who reaped a golden harvest. . .[10]

Land within the Settlements which sold for an average of £50 an acre in 1852 sold for an average of £10,000 in 1862. In 1862, for the first time since it had been built, the race course, pride of the Settlement, was idle. The foreigners were too busy to hold the races, and in the next year the race course was sold for tenement construction for twenty times its original price.† [11]

* The *China Monthly Review* records in its issue for January 1952 (p. 96) that at the time of the Communist take-over in May 1949 there were 800 brothels in Shanghai, which by November 1951 had been reduced to 71. In the latter month these were closed, and the 500 inmates sent to a special reorientation and training school, in accordance with the pattern established earlier in north China.

† Part of the proceeds was used to buy a new tract for a race course farther out